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BEFORE THE FEDERAL COMMUNICATIONS COMMISSION

WASHINGTON, D.C. 20554

IN THE MATTER OF: * EB DOCKET NO. 08-85
BUSINESS OPTIONS, INC., * FILE NO. EB-02-TC-151
ORDER TO SHOW CAUSE AND * NAL ACCOUNT NUMBER:
NOTICE OF OPPORTUNITY * 30033217002
FOR HEARING * FRN: 0007179054

* * * * *

DEPOSITION OF:

SHANNON DENNIE,

was taken Wednesday, July 16, 2003, commencing at
9:30 a.m., at the LaQuinta Inn, 8210 Louisiana
Street, Merrillville, Indiana, before Nova
Hollister, Notary Public.

* * * * *



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2

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I-N-D-E-X

EXAMINATION BY:

PAGE:

Mr. Shook

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(NO EXHIBITS MARKED.)

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1 P-R-O-C-E-E-D-I-N-G-S

2 WHEREUPON --

3 SHANNON DENNIE,

4 a Witness called for examination, having been
5 first duly sworn, was examined and testified as
6 follows:

7 DIRECT EXAMINATION

8 BY MR. SHOOK:

9 Q. Could you state your name, please?

10 A. Shannon R. Dennie.

11 Q. Can you please spell the last name.

12 A. D-E-N-N-I-E.

13 Q. Your residential address?

14 A. 548 Taney Street, Gary, Indiana 46404.

15 Q. Your business address?

16 A. Avatar Enterprises, 1443 -- I think
17 it's East -- 84th Place, Merrillville, Indiana
18 46410.

19 Q. How long has Avatar -- I take it when
20 you used Avatar to proceed your business address,
21 that Avatar is the name of your employer?

1 A. Yes.

2 Q. How long has Avatar been your
3 employer?

4 A. Since -- I don't know the exact date,
5 but January.

6 Q. Roughly?

7 A. Roughly January.

8 Q. Of 2003?

9 A. Yes, of 2003.

10 Q. What was the name of your employer
11 prior to that time?

12 A. Buzz Telecom.

13 Q. When the name of your employer changed
14 from Buzz to Avatar, did that also involve a
15 change in your business address?

16 A. Yes, it did.

17 Q. From what to what?

18 A. From the Buzz Telecom address of 8380
19 Louisiana Street, Merrillville, Indiana 46410, to
20 the Avatar Enterprise address.

21 Q. How long had you worked for Buzz

1 Telecom?

2 A. I worked for them October 29th, 2002
3 to approximately January, 2003.

4 Q. What was the name of your employer
5 before you became employed by Buzz Telecom?

6 A. SEI Information Technology.

7 Q. What is the nature of SEI's business?

8 A. Information technology company.

9 Q. Could you give me a rough description
10 of what your job duties were at SEI?

11 A. Help-desk technician.

12 Q. What did that entail?

13 A. It entailed customers outside of SEI
14 and internal customers from the -- I think the
15 company was RR Donnelly, and we were to supply
16 help-desk support to those employees. They would
17 call in. If they had a computer problem, we
18 would walk them through step-by-step.

19 Q. Would it be fair to say -- is it a
20 fair assumption that your background is in
21 computers?

1 A. No. Not really, no.

2 Q. Could you --

3 A. It's including.

4 Q. Did you have any telecommunications
5 background prior to becoming employed by Buzz
6 Telecom?

7 A. No, I didn't.

8 Q. Did you have any experience working
9 with Federal regulatory agencies prior to
10 becoming employed by Buzz Telecom?

11 A. In some capacity, yes.

12 Q. Could you explain what that capacity
13 was?

14 A. I spent 11 years in the Air Force. I
15 did -- I worked for Digital Systems Research and
16 the company had a contract with the Pentagon.
17 And I believe that's about the only --

18 Q. Did that experience require you to
19 look at or research the Code of Federal
20 Regulations?

21 A. That experience required me to

1 research military regulations for the most part.

2 Q. Where did those regulations appear?

3 A. It's been so long ago. Those
4 regulations -- we had regulations, you know,
5 there in our office. And then just from
6 training, military training.

7 Q. The regulations in your office, those
8 were -- that was a publication that you could
9 refer to that was in the office itself?

10 A. Yes.

11 Q. Did review of those regulations ever
12 require you to, say, go to a law library to look
13 further?

14 A. No. Never.

15 Q. Did it ever require you to go on-line
16 to look at regulations?

17 A. No. Never. The internet wasn't
18 available at that time.

19 Q. Prior to joining Buzz Telecom, did you
20 ever have any training in, say, West Law
21 research?

1 A. Yes, some. In the early 80s, we were
2 exposed to it when I was working towards my
3 associate's degree in paralegal studies.

4 Q. Did you ever have any training prior
5 to becoming employed by Buzz Telecom?

6 A. Yes. During that same time in the 80s
7 when I was working towards my associate's degree.

8 Q. And you mentioned early 80s, so it
9 would have been prior to 1985?

10 A. Yes.

11 Q. Was there any occasion for you to use
12 West Law between that period you mentioned in the
13 early 80s and your becoming employed by Buzz
14 Telecom?

15 A. No.

16 Q. Was there any occasion for you to use
17 train between the time you mentioned in the early
18 80s and the time you became employed by Buzz
19 Telecom?

20 A. No.

21 Q. Prior to becoming employed by Buzz

1 Telecom and excluding the reference you had made
2 to looking at regulations when you were in the
3 military, did you have any occasion to research
4 Federal regulations?

5 A. What time frame, I'm sorry?

6 Q. Before you became employed by Buzz
7 Telecom and excluding your looking at regulations
8 when you were with the Air Force -- I think
9 that's what you had said.

10 A. Right.

11 Q. Had you had any occasion to research
12 Federal regulations in a law library?

13 A. No.

14 Q. Could you briefly describe to for us
15 how you became employed by Buzz Telecom.

16 A. I was laid off from SEI and I had
17 spent some time going back to school and got
18 certified in some Microsoft products. And I
19 happened to come across an advertisement in the
20 newspaper. And I applied. And I was hired. And
21 I think I started the next day.

1 Q. I know this is a bit of a stretch, but
2 I'll give it a shot anyway. Do you have any
3 recollection at all as to, you know, what the
4 position was that you were -- that you applied
5 for?

6 A. I think it was legal assistant.

7 Q. Was there any reference that you
8 recall to the kind of training that you kind of
9 experienced that the company was looking for?

10 A. I believe that initially I was under
11 the impression that -- I think Keanan briefly
12 explained to me some of the job duties that I
13 would have. However, I wasn't fully exposed or I
14 didn't wholly know all the responsibilities that
15 I had until I accepted the position and my
16 predecessor left.

17 Q. Was there -- now you mentioned Keanan,
18 I take it you mean Keanan Kintzel?

19 A. Yes.

20 Q. Was there any person other than Keanan
21 Kintzel who interviewed you for the job?

1 A. No. I don't think so.

2 Q. During the interview, can you give us
3 some idea of what it was that Keanan told you
4 that the job would require.

5 A. I remember him explaining that it
6 would have to do with legal complaints and
7 regulatory issues. And I'm -- I can't recall
8 anything else. There could have been more, but I
9 just don't recall.

10 Q. Did he say anything to you about the
11 need to do any kind of legal research in order to
12 do the job you were going to have to do?

13 A. No.

14 Q. In terms of regulatory matters, what
15 understanding did you have as to what the
16 regulatory matters were going to be that you'd
17 have to deal with?

18 A. I believe it was generally trying to
19 expand the company so they could operate in other
20 states.

21 Q. Was the word "tariff" ever used?

1 A. I don't recall.

2 Q. Was the process explained to you as to
3 how it was that you were going to be able to do
4 that? In other words, expand the business to get
5 approval --

6 A. No. Not during that time.

7 Q. There came a later time when you
8 understood what it was that you needed to do?

9 A. My predecessor explained some.

10 Q. He didn't have much of an opportunity
11 to explain to you, did he?

12 A. No, he didn't.

13 Q. How much of an overlap was there
14 between the time you started and the time he
15 left?

16 A. Officially that I am pretty sure of,
17 three days.

18 Q. And so we're clear, the "he" that I'm
19 referring to and that you've been responding to
20 me is William Brzycki?

21 A. Yes.

1 Q. Was there anybody other than Mr.
2 Brzycki who trained you in any way for the job
3 that you took?

4 A. I do believe Amy Dixon did. She was
5 the current other legal assistant that was
6 working there, but her primary duties were legal
7 complaints. And so that's where I started with
8 her on how to process the legal complaints.

9 Q. What period of time was Amy there with
10 you?

11 A. I'm not sure. She wasn't there long
12 because she had to leave to have her baby, maybe
13 a week. I'm not sure exactly.

14 Q. So basically, one week into the job,
15 you were pretty much on your own?

16 A. Yes.

17 Q. If you could try to go back to the
18 days when you and Mr. Brzycki were there at the
19 same time, try to focus on those two or three
20 days. And if you can, walk me through generally
21 what it was that Mr. Brzycki told you about the

1 job you were going to have to do.

2 A. He gave me a list of definitions to go
3 over. And I spent a lot of time going over the
4 definitions and writing out the definitions for
5 telecomm words. He showed me where the files
6 were. He explained to me the process of trying
7 to get the company established. He had written
8 some directives and told me where to find those.
9 And I believe that was about it.

10 Q. What would -- when you use the word
11 "directive," what is it that you're referring to?

12 A. Just instructions on how to do certain
13 things, how to do legal complaints. What
14 certificates needed to be obtained in order for
15 the company to operate in other states.

16 Q. In terms of the company being able to
17 operate in other states, the company that we're
18 talking about here is Buzz, right?

19 A. Yes.

20 Q. Did you have any understanding at that
21 time that there already was an entity that had

1 authority to sell products in most of the states?

2 A. Yes.

3 Q. And what entity was that?

4 A. Business Options.

5 Q. When you started to work at Buzz, did
6 Buzz already have authority to sell products in a
7 number of states?

8 A. Yes.

9 Q. And could you give me a rough idea
10 of -- at the time you started -- how many states
11 Buzz had authority in which to operate?

12 A. I couldn't be definite, 12, 15.

13 Q. And the company goal was?

14 A. About 48 states.

15 Q. Was it supposed to be roughly the same
16 states that Business Options had authority to
17 sell?

18 A. Yes.

19 Q. Was it explained to you at that time
20 or at any subsequent time why it was that Buzz
21 Telecom was seeking to do basically the same

1 thing that Business Options already had authority
2 to do?

3 A. I don't recall ever being explained
4 why.

5 Q. Did it ever occur to you that it was
6 perhaps an enormous amount of time and expense to
7 go through an order to have Buzz Telecom qualify
8 when Business Options already was?

9 A. Yes. However, gradually I came to
10 understand a reason that suffices in my mind.
11 Previously the company had been U.S. Bell. And I
12 assumed that it was due to the name change.

13 Q. In other words, that conclusion on
14 your part didn't come about as anybody telling
15 you that that was what the reason was?

16 A. No.

17 Q. This is something you inferred from
18 the circumstances?

19 A. Right.

20 Q. We understand from previous
21 depositions that the arrangement among various

1 companies, particularly Avatar, Business Options
2 and Buzz, involve an organization that include
3 seven divisions. Could you tell us which of
4 those seven, if any, you belong to.

5 A. When I worked for Buzz, I was in
6 division seven. And then when I moved to Avatar,
7 it's now division four.

8 Q. What was it that division seven was
9 supposed to do?

10 A. It was the corporate affairs division.
11 And when I started after I had been there for a
12 while, we created basically my job description.
13 And so I held the director of corporate affairs
14 and the legal review and recommendation officer,
15 so to speak and tax, compliance officer.

16 Q. Did that change -- did your basic job
17 duties change as a consequence of your move from
18 division seven to division four?

19 A. No. When we were still over at Buzz,
20 we hired an in-house accountant. And so he was
21 working under me. And then later on, some things

1 got restructured in. He was no longer under me.
2 However, I still am responsible for basically the
3 same things that I've always been responsible
4 for.

5 Q. Who was that accountant?

6 A. Brian Bortko (phonetic).

7 Q. Is he still at Buzz Telecom to your
8 knowledge?

9 A. He's with Avatar.

10 Q. He's with Avatar?

11 A. Yes.

12 Q. Was there a time that he was employed
13 by Buzz?

14 A. Yes.

15 Q. And did he become employed by Avatar
16 at roughly the same time you did?

17 A. Yes.

18 Q. The two of you essentially moved
19 together from Buzz to Avatar?

20 A. Yes.

21 Q. What was it that Mr. Bortko would do

1 in terms of tax matters?

2 A. Initially, I was training him to take
3 care of the state regulatory and -- including the
4 Federal regulatory tax compliance issues as I
5 learned them. And I would train him to do them.
6 After a while, there was some restructuring and
7 his job duties became more payroll oriented for
8 the company. And so I just assumed that
9 responsibility back.

10 Q. Focussing on Mr. Bortko's early
11 responsibilities, approximately when did he
12 become employed by Buzz?

13 A. I would say the middle to end of
14 November.

15 Q. Of 2002?

16 A. Yes.

17 Q. Did you have any role in his hiring?

18 A. He was interviewed, I met with him
19 afterwards. I had some input and he was hired.

20 Q. Do you know who he was interviewed by?

21 A. No. I don't recall.

1 Q. In terms of the reports that he was
2 supposed to be responsible for, you had
3 mentioned, I think it was two different kinds of
4 reports, one being regulatory and the other being
5 tax, is that a fair statement?

6 A. That's what we were shooting for
7 eventually.

8 Q. The regulatory filings that Mr. Bortko
9 was supposed to be responsible for, could you
10 give us an idea of what those regulatory filings
11 were?

12 A. Annual reports basically is what we
13 get the most of. Assessment notices, various
14 regulatory fees, state USF fees.

15 Q. So there were somewhere between 45 and
16 50 states that you had to make filings with.
17 Would I be correct in that most of the states
18 required more than one filing during the course
19 of the year?

20 A. Yes.

21 Q. Was there some chart that you could

1 refer to in order to help you meet the various
2 filing deadlines?

3 A. I don't ever remember seeing any.
4 When I accepted the position and I started
5 working, I basically just got all the tax filings
6 that were pending in Bill's box and just started
7 hammering through them. And as I got through
8 them, I would train Brian once he came on board
9 and show him how to contact the states and to
10 find out exactly what the filing was and why it
11 needed to be filed so we would know because we
12 wouldn't know.

13 Later on, I began to see the need of
14 some sort of, you know, chart to go by. And so I
15 created one. And I've been working on that.
16 Basically, it's just when we get any type of
17 financial filing or annual report that's due, I
18 make a log of it so when the next year comes
19 around, we automatically know ahead of time based
20 on states on what needs to be done and when.

21 Q. So one way you became aware of a

1 filing deadline was that something was already in
2 Mr. Brzycki's inbox?

3 A. Yes. Or if it was sent to me during
4 the time that I started working.

5 Q. In other words, the state would send
6 something to you?

7 A. Right.

8 Q. And that would notify you that some
9 filing had to be made?

10 A. Right.

11 Q. With respect to any such state filing,
12 was there ever a time that you were required or,
13 in fact, did look up a state regulation or a
14 state law to see why it was you were getting this
15 request for a filing?

16 A. Actually, no, I didn't. We were in
17 what I considered to be a very unusual situation.
18 It was a little stressful and we were trying to
19 do the best job that we could at the time. So to
20 facilitate getting these things filed, we would
21 call directly and ask them, you know, what is

1 this, why are we getting this. And then we would
2 determine whether we needed to file at that
3 point.

4 Q. And in terms of receiving things, I
5 take it that you were receiving things first of
6 all in the name of Business Options?

7 A. Yes.

8 Q. And then second you might receive
9 something in respect to Buzz Telecom?

10 A. I don't think during that time we were
11 receiving too much for Buzz. I'm --

12 MR. HAWA: You're saying not
13 regulatory fee notices for Buzz Telecom, but,
14 rather, notices and questions and letters related
15 to their applications for --

16 MR. SHOOK: Just any regulatory filing
17 at all. It's very broad at this point.

18 THE WITNESS: I don't recall. Most of
19 the information that I recall getting was for
20 Business Options because they were already in
21 effect and they had been around the longest. So

1 I'm assuming that's why.

2 BY MR. SHOOK:

3 Q. So for example, you could receive from
4 a state with respect to Business Options, a
5 notice that an annual fee of some kind was due?

6 A. Yes.

7 Q. You might also receive a notice from a
8 state that Universal Service Filing was due?

9 A. Yes.

10 Q. With respect to an annual filing, I
11 take it there was ordinarily some kind of fee
12 involved?

13 A. Ordinarily, yes.

14 Q. And with respect to Universal Service,
15 likewise, there was usually some kind of fee or
16 payment involved?

17 A. Yes.

18 Q. While you were at Buzz -- and at this
19 point we're talking about roughly a two-month,
20 two-and-a-half-month period, was there anyone
21 that you would report to?